

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF GREEN RIVER)
ELECTRIC CORPORATION'S RATES FOR) CASE NO. 9973
DISTRIBUTION ELECTRIC SERVICE)

O R D E R

On August 3, 1987, National-Southwire Aluminum Company ("NSA") filed a motion to dismiss this investigation of Green River Electric Corporation's ("Green River") rates on the grounds that Green River's filing: (1) ignores the fundamentals of rate-making; (2) does not comply with the Commission's regulations governing applications for rate increases; and (3) is deficient in the same respects as the filing of Big Rivers Electric Corporation in Case No. 9885, An Investigation of Big Rivers Electric Corporation's Rates for Wholesale Electric Service. NSA's motion adopts by reference its motion to dismiss Big Rivers' compliance filing in Case No. 9885. Alternatively, NSA seeks to postpone the hearing generally and seek the establishment of a procedural schedule.

The Commission is of the opinion and hereby finds that NSA's motion lacks merit and should be denied. This proceeding is a rate investigation initiated by the Commission, not an application for increased rates filed by the utility. Consequently, none of the Commission's regulations governing rate applications is applicable. Green Rivers' compliance report, filed in response to

the Commission's Order entered July 27, 1987, satisfies all fundamentals of rate-making applicable to a distribution utility faced with an increase in its purchased power cost. Further, the Commission takes notice that NSA's motion to dismiss Big Rivers' Case No. 9885 was denied by Order entered August 10, 1987.

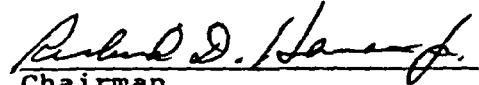
The Commission further finds that NSA has not shown good cause sufficient to postpone the hearing scheduled on August 20, 1987. This rate investigation was initiated on July 27, 1987, and Green River has already filed its responses to NSA's discovery requests. NSA will be afforded every opportunity to explore all relevant rate issues at the scheduled hearing.

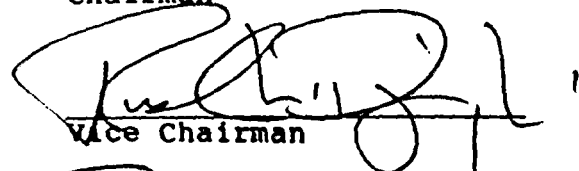
The Commission is cognizant that on August 18, 1987, NSA filed objections to an information request of Green River and therein claimed infringement of state and federal constitutional rights as well as statutory rights. However, NSA's objection is devoid of any factual allegations necessary to determine the validity of the claims. Consequently, the Commission will defer ruling on these objections until all parties have an opportunity to address them at the hearing on August 20, 1987.

IT IS THEREFORE ORDERED that NSA's motion to dismiss be and it hereby is denied and the alternative request for a postponement generally be and it hereby is also denied.

Done at Frankfort, Kentucky, this 19th day of August, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director